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Fragile Stability: State and Society in Democratic South Africa *

Introductory article in special issues *Fragile Democracy: State and Society in Democratic South Africa*, *Journal of Southern African Studies*, 31(4) December, pp. 681-700.

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This introductory article adopts a 'state-in-society' approach in order to take account of the impact of the transition to democracy in South Africa on social groups and their engagement with the state. The article suggests that democratic consolidation involves not only building a new state but also new interfaces between state and society. We use the term 'fragile stability' to characterise the contradictory nature of South Africa's transition a decade after apartheid: society is stable in that the non-racial regime is fully accepted as legitimate, but the immense social problems which were apartheid's legacy remain a threat to social order. The article shows how state authority and capacity have been regenerated from a position of severe weakness at the time of the transition; to a situation today where it has substantial capabilities in exercising its basic functions such as policing, border control and taxation. However, we argue that in many other social arenas, both stability and fragility have increased. Drawing on other articles in this special issue, we discuss the different patterns in which the contradictory combination of stability and fragility has evolved. The macro-economic situation has been both stabilising and destabilising, but different policies have been responsible for each. We suggest that single-party dominance of the political arena, the continued salience of race

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relations, black economic empowerment, militarism and corruption are arenas where the same social or political processes have both promoted stability and added to the potential for destabilisation. In gender relations, HIV/AIDS and land reform, stabilisation has been limited, as linkages between state and society have not been successfully established. We conclude that despite its tenuous nature, fragile stability nonetheless represents an 'equilibrium' which is likely to persist in the short- to medium-term, because the social forces and political organisations needed to move the society to a different position – either crisis or thoroughgoing consolidation – have not yet emerged.

Introduction

South Africa's non-racial democracy was established ten years ago following protracted constitutional negotiations over a period of four years. Though marked by much terrible violence, the transition was far from the racially charged civil war, insurrection or military *coup*, which had been widely expected. The advent of democracy in South Africa – and the agreement that it represented between the black and white populations to build a common future – carried high hopes for progressives not only in the country itself but around the world as well. This was partly linked to the international 'moment', coming at the time of the collapse of communism as well as in the wake of the 'lost decade' of development which the 1980s represented for sub-Saharan Africa and Latin America. The hope was that Africa's biggest economy would not only address the yawning distribution gap between black and white within South Africa itself, but that it would also be able to pull the rest of the continent forward to reduce inequality between black and white nations at the global level. For South Africans, the new era appeared to offer the scope to build a new society, notwithstanding either the compromises needed to reach agreement on the Constitution or the still-substantial presence of the old social order within the political system or continued fears that the underlying settlement could fall apart in the face of concerted action from white or black die-hards.

Even with these caveats, for many the transition was to be regarded as a 'miracle', a description used by Nelson Mandela himself in his victory speech after the April 1994 election. And indeed it did have this dimension, as attested by the last-minute political

deals which allowed the election to go ahead, the all-out effort and commitment from thousands of people to overcome the logistical challenges, the many stories about human contact in election day queues. Ten years later, the ‘rainbow nation’ romance of the transition has faded and the miracle metaphor is evoked only infrequently. There is the occasional exception, such as the March 2004 opening of the permanent home of the Constitutional Court on the site of a former prison in which both Mandela and Gandhi had been held. But there is no longer any threat facing the constitutional order from die-hards, whether white or black, and the survival of the non-racial regime is no longer in question.

In broadly assessing South Africa’s democratic transition today, we use the characterisation ‘fragile stability’. We do not of course suggest that this phrase fully depicts an obviously very complex reality, but for us it conveys the contradictory nature of the transition after ten years. On the one hand, the society is stable: a non-racial democratic political regime¹ has been firmly established and faces no imminent threat, and the state is accepted as the legitimate authority within the country’s territorial boundaries. A wide range of political engagements have taken place, policies have been formulated and public institutions have been set up, with the emphasis on ensuring and maintaining political and economic stability. These initiatives have successfully addressed potential threats to the new order from political forces shaped in the apartheid era and have also established formal citizen–state interactions based on democratic principles of representation, taxation and accountability. The machinery of state has been substantially reformed since 1994, involving both the fundamental overhauling of state institutions which survived the transition together with the establishment of many new state institutions.

On the other hand, the country faces immense social problems – poverty and inequality, unemployment, HIV/AIDS and personal and property insecurity – which have barely improved since the apartheid era, or even deteriorated. Ten million people – 23 per cent of the population – were living on less than \$2 per day in 2000, and an estimated 37

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¹ ‘Regime’ is used here in the sense of the formal and informal structures of governance processes, rather than to refer to the particular holders of government power. K. Remmer, ‘Exclusionary Democracy’, *Studies in Comparative International Development*, 20 (1986).

per cent were below a nationally defined poverty line of R1000 in 2002.² Although official estimates of the Gini coefficient in 2000 are below the unofficial estimates of its level a decade earlier, a possibly more reliable indicator of inequality is that the poorest 40 per cent of the population received only 6.1 per cent of total income in 2000, while the richest 20 per cent received 64.9 per cent.³ Officially estimated (broad) unemployment stood at 41.8 per cent of the economically active population in September 2003.⁴ The HIV prevalence rate was estimated to be 11.4 per cent in 2002 and 12.9 per cent amongst the African population.⁵ In 1997, South Africa with 64 murders per 100 000 people had the highest murder rate in the world, according to Interpol data.⁶ South Africa remains an extremely violent society: in 2002/3, there were 47.4 murders per 100 000 people, 115.3 rapes and 1286.5 assaults.⁷

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All of these problems have a gendered dimension – the statistics for women are much worse than for men. The poverty rate amongst female-headed households in 1995 was 60 per cent, double that for male-headed households, linked to the concentration of female-headed households in rural areas, which also have fewer working age adults. Unemployment amongst women is higher – the national broad unemployment rate for women was 47.8 per cent in September 2003 compared with 35.7 per cent for men. The HIV/AIDS prevalence rate for women is 12.8 per cent, compared with 9.5 per cent for men. Women are particularly vulnerable to sexual crimes and to domestic violence in the home, though young (black) men are more likely to experience violent crime and interpersonal violence in public places.

As these data suggest, apartheid's legacy remains deeply etched in society, together with the impact of the political transition, so that the new regime has not yet

² I. Woolard, *An Overview of Poverty and Inequality in South Africa* (Working article, Pretoria, DFID South Africa, 2002).

³ Stats SA (Statistics South Africa), *Earning & Spending in SA. Selected Findings from the Income & Expenditure Surveys of October 1995 and October 2000* (Pretoria, Government Printer, 2002).

⁴ Stats SA, *Labour Force Survey September 2003* (Release P0210, Pretoria, Government Printer, 2004).

⁵ Human Sciences Research Council (HSRC), *Nelson Mandela/HSRC Study of HIV/AIDS: South African National HIV Prevalence, Behavioural Risks and Mass Media* (Pretoria, HSRC Press, 2003).

⁶ M. Shaw & P. Gastrow, 'Stealing the Show? Crime and its Impact in Post-Apartheid South Africa', *Daedalus*, 130, 1 (2001).

⁷ SA Police Service (SAPS), www.saps.gov.za (accessed 27 August 2004). Statistics on all the issues discussed in this and the following paragraph are highly controversial, but the debates are beyond the scope of this article. The broad unemployment rate includes those who have not sought work for four weeks. Data are from the same sources in both paragraphs.

been effectively embedded in a non-racial and democratic post-apartheid social order.⁸ Existing social fractures – faultlines – have been maintained or deepened, and new fractures created, as the emerging state has interacted with social forces and struggled to impose itself on the populace. Ties and linkages between state and society remain uneven in breadth and depth, and there remains considerable potential for stability to break down or evolve into stasis. For these reasons, we suggest that ‘stability’ needs to be qualified as ‘fragile’, in the sense that while these social fractures persist, there is potential for increasing *instability* which could move the society away from its tenuous equilibrium.

In elaborating this characterisation, it is worth starting from two common approaches to analysing South Africa’s transition. The first involved the transfer of the ‘miracle’ metaphor from political rhetoric to scholarly analysis, as in much academic discussion in the early years after 1994. This implied that the transition defied explanation, or more precisely, that South Africa’s racial divide set it apart as a special case, in that a dominant racial minority was willing to surrender its exclusive hold on power even though it would not regain it via the ballot box while the previously-subordinated majority was willing to include the minority in government. Implicit here is the idea that race is a ‘primordial’ social fracture which should have made compromise impossible and – most important from our vantage point today – which would make democratic consolidation unlikely, since the latter would require ‘national unity’ or a ‘single culture’ to overcome racial differences.⁹

The shortcomings of *race-based* structural analysis in the face of subsequent political developments may be thought to enhance the pertinence of a second common perspective on South Africa’s transition, which suggests (based on common analyses of Southern Europe and Latin America) that South Africa was a ‘textbook’ case of democratisation via pacting. The implicit argument in this approach is that structural factors such as race are secondary compared with the dynamics of negotiation which

⁸ ‘Social order’ is used in the sense of the structure of social organisation and patterns of distribution of social and economic power. J. Migdal, ‘The State in Society: An Approach to Struggles for Domination’, in J. Migdal, A. Kohli & V. Shue, *State Power and Social Forces: Domination and Transformation in the Third World* (Cambridge, Cambridge University Press, 1994).

⁹ This approach follows the tradition of S.M. Lipset’s work during the 1950s. A South African example is H. Giliomee & L. Schlemmer, ‘Overview: Can a South African Democracy Become Consolidated?’, in H. Giliomee, L. Schlemmer & S. Hauptfleisch (eds), *The Bold Experiment: South Africa’s New Democracy* (Johannesburg, Southern Publishers, 1994).

depend on the capacity of political actors on both sides of the divide to establish a compromise. 'Reformers' in the ruling group and 'moderates' in the democratic forces look for common ground to isolate 'hardliners' and 'radicals'. Successful transition involves constituting a democratic order and then consolidating it through repeated successful elections on the basis of the agreed constitution, signaling acceptance by citizens and political actors of 'contingent consent' as the underlying principle of political power.¹⁰

In the 'transitions', consolidation faces a potential threat from hardliners attempting to restore the old authoritarian order, which can only be prevented by stabilisation of the democratic regime. The argument emphasises the compromises which anti-authoritarian moderates feel compelled to offer ruling group reformers to persuade them to commit to the new constitutional order. A more critical version of this argument has been widely applied to South Africa, arguing that white and black elites reached agreement on a non-racial state structured on liberal democratic principles which would reinforce their elite status. During the consolidation phase, the priority has been to stabilise the centre-ground to prevent a relapse to authoritarianism via hardliner resurgence which in turn required forestalling more far-reaching transformation via radical mobilisation. As a result, post-apartheid policy has been primarily concerned with elite advancement.¹¹

The articles in this special issue – most presented at a workshop at Wits University in July 2003 – underline the need to broaden the angle of vision in respect of both the time perspective and the scope of the analysis. The transition literature 'looks forward' from the moment of constitution and as a result emphasises 'protecting the future from the past', that is, prioritising the stabilisation of the negotiated agreement and

¹⁰ G. O'Donnell, P. Schmitter & L. Whitehead (eds), *Transitions from Authoritarian Rule: Comparative Perspectives* (Baltimore & London, Johns Hopkins University Press, 1986), p. 59. A. Przeworski, *Democracy and the Market* (Cambridge, Cambridge University Press, 1991). For a South African application, see F. van Zyl Slabbert, *The Quest for Democracy: South Africa in Transition* (Johannesburg, Penguin, 1992).

¹¹ See M. Murray, *The Revolution Deferred: The Painful Birth of Post-Apartheid South Africa* (London, Verso, 1994); E. Webster & G. Adler, 'Challenging Transition Theory: The Labour Movement, Radical Reform, and Transition to Democracy in South Africa', *Politics & Society*, 23, 1 (1995); H. Marais, *South Africa, Limits to Change: The Political Economy of Transformation* (London, Zed Books, 1998); P. Bond, *Elite Transition: From Apartheid to Neoliberalism in South Africa* (London, Pluto Press, 2000).

preventing a resurgence of hardliners or other destabilising processes such as a radical upsurge. But looking at democratic consolidation ten years down the road requires us also to ‘look back’ and examine the ways in which ‘the past has continued to shape the present and the future’, that is, how the residues of apartheid have impacted on the construction of the new democratic (post-apartheid) social order.¹² Secondly, expanding the time dimension in this way makes it necessary to broaden the scope of the analysis: it is too narrow to focus only on electoral processes, or even more generally on the state and state institutions, as the transitions literature has tended to do, whether from a structural perspective or a focus on pacting. Instead, we take a “state-in-society”¹³ approach to democratic consolidation, suggesting that it involves the building of a new post-apartheid state *together with* new interfaces between state and society, which need to take account of the impact of the transition on social organisation, including the re-distribution of political and social resources amongst social groups, shifting the terms of their engagement in political processes and with the state. By qualifying the term ‘stability’, we are suggesting that democratic consolidation has not yet been completed, that is, appropriate institutions and processes have not yet been established in state *and society* to resolve – manage and contain – the potentially destabilising impact of social fractures.¹⁴

At the time of transition, the South African state was ‘weak’ in that it had limited ability to organise and exercise power for the ‘centralised, institutionalised, territorialised regulation of many aspects of social relations’.¹⁵ This is true ‘by definition’ because the state was unable to prevent the transition from apartheid authoritarianism to non-racial democracy: though it was able to avoid being overthrown and force a negotiated

¹² In fact, a major weakness of the transitions literature is that it is too narrow in defining the interests of the actors simply in terms of the negotiation process (as moderates, reformers and so on). This ‘underspecifies’ the actors by ignoring the ways in which interests are shaped and constrained by social factors such as the composition of their support base, organisational pressures and economic opportunities or difficulties.

¹³ Migdal, ‘The State in Society’.

¹⁴ This is not to suggest that social fractures can be made to disappear, but rather that they can be ‘contained’ for extended periods, that is, expressed in ways that do not threaten the wider social order. We are using institutions here in the ‘Northian’ sense, in other words, implicit codes and norms of behaviour distinct from organisations. Note also that normative concerns – whether or not an institutional framework which achieves stability also produces equity – are distinct, since equity (whether of resource distribution, voice or opportunity) may be sufficient for stability but it is not necessary. It is quite possible to imagine a ‘low-level’ equilibrium which is stable in that there are no dynamic forces to move society away from it, but is inequitable in fundamental respects.

¹⁵ Mann, cited in Migdal. ‘The State in Society’.

transition, the state's authority and its ability to enforce its authority – to make decisions binding on the population – became attenuated through the 1980s.¹⁶ At the height of its power, in the 1970s, the apartheid state had substantial 'infrastructural power' in relation to white and black populations, the 'power to penetrate and centrally co-ordinate the activities of civil society', which depends on organisational, institutional and administrative infrastructure.¹⁷ But the state was unable to establish this sort of power *vis-à-vis* the new forms of black social organisation which emerged from the late 1970s, including trade unions, community organisations, women's and student movements, professional associations and so on. Instead, through the 1980s, linkages across the racial divide grew between black civil society and some sectors of white civil society (including business and professional associations and the nascent NGO sector) which also began to press for democratisation. Even across structural divides where interests remained in conflict, such as between business and organised labour, there was slowly growing recognition of interdependency in relation to the survival and growth of organisations on both sides of the divide.¹⁸

These changes in social organisation were critical in pushing South Africa to negotiated transition, rather than reinforcing authoritarianism or making possible revolutionary overthrow of the state. The state's attempts to impose its authority on these diverse social forces through the 1980s failed, and instead it was the state that was forced to accommodate to new realities in society, by the unbanning of the banned political organisations in 1990 which allowed the start of negotiations for a new constitution. But even before this point, limited state capacity was reflected in for example the failure of the State of Emergency and the National Security Management System(NSMS)¹⁹ to re-

¹⁶ S. Gelb, 'Globalisation, the State and Macroeconomic Policy', in J. Muller, N. Cloete & S. Badat (eds), *Challenges of Globalisation: South African Debates with Manuel Castells* (Cape Town, Maskew Miller Longman, 2001).

¹⁷ M. Mann, 'The Autonomous Power of the State: Its Origins, Mechanisms and Results', in J.A. Hall (ed.), *States in History* (Oxford, Basil Blackwell, 1986).

¹⁸ The role of foreign and international agencies (private, governmental and multilateral) who provided financial, intellectual and strategic resources was also important.

¹⁹ Security force-administrative (white) business committees aiming to re-stabilise black residential areas, in the short term through force and in the longer run through expanding economic opportunities.

establish its 'despotic' power *over* society,²⁰ and in the repeated failure of efforts to craft an industrial relations system which could extend the state's infrastructural power by incorporating the black trade unions. The latter process led ultimately to the Laboria Minute of 1990, the first and only agreement between black organised labour, employer groups and the apartheid government. This reflected weakened authority of the apartheid state since it accepted the principle of equality of black labour representation in the industrial relations system and laid the basis for a tripartite industrial relations system after the transition.

The state's weakness at the time of the transition was reflected in difficulties in regulating the behaviour of individual citizens and in carrying out many of its basic functions. It was unable to enforce its territorial authority by managing cross-border traffic, which contributed to marked increases of flows (both in and out the country) of illicit goods including drugs, arms and ivory as well as money laundering. During the 1980s organised crime increased in South Africa: with policing resources increasingly diverted to controlling political opposition, gangs were able to mutate into crime syndicates.²¹ During the transitional period in the 1990s, organised crime became internationalised with the entry of foreign groups opening up opportunities for domestic gangs to form alliances.²² Illicit imports of 'ordinary' goods such as second-hand clothing or computer software also increased significantly, becoming a major threat to legal business in several sectors, and a source of conflict between government and both labour and management in the textile sector.

The state was also unable to manage either taxation or the provision of public grants to individuals. The government-appointed Katz Commission on Taxation noted in 1994 that tax morality was very low. A study by SA Revenue Services three years later estimated that the 'default percentage' on income tax was still more than 25 per cent, and perhaps as many as half the citizens eligible for tax remained unregistered and outside the

²⁰ Despotic power, in Mann's (1986) definition, refers to the state's power *over* society, to act without constraint and expect that its instructions and orders will be carried out. It is contrasted with infrastructural power.

²¹ P. Gastrow, *Organised Crime in South Africa: An Assessment of its Nature and Origins* (Pretoria, Institute for Security Studies (ISS), Monograph 28, 1998).

²² Shaw & Gastrow, 'Stealing the Show? Crime and its Impact in Post-Apartheid South Africa'.

tax base.²³ Although the eligibility criteria for pensions and other social grants were widened and their levels increased, many people simply did not receive money to which they were entitled because the delivery system was inefficient, corrupt and geographically restricted. This was especially true in rural areas where delivery relied on 'homeland' administrations.

The state's limited capacity meant that policymaking relied very heavily on non-state actors. During the transitional period, a plethora of multipartite fora were established which formulated policy frameworks across a wide range of issues: in mid-1993, there were fifteen sector-based forums, seven regional forums, five serving metropolitan areas and several dozen at local level. These bodies reflected a need to legitimise new approaches to policy by involving organisations and groups whose members had been denied rights under apartheid. But in many cases the lack of capacity *within* the state to formulate and implement policy documents, proposed legislation and regulations, meant that even these bureaucratic tasks were carried out by forum participants with mandates extended beyond policy approval or by consultants, whose role in policy increased markedly.

During the second half of the decade, public agencies have been transformed or established, enabling the state to enhance its management and regulatory capabilities in exercising its basic functions including policing, border control and taxation. Together with significant improvements in its capacity to formulate policies and deliver social grants to the poor, these have contributed substantially to regime stabilisation. The establishment of the Scorpions in 1998 (as part of the National Prosecuting Authority) has begun to combat organised crime: though the number of syndicates rose from 196 in 1996 to 230 in 2003, 2 400 syndicate members were arrested in 2002/3.²⁴ Violent crime amongst individuals has begun to decline in some respects: according to SAPS data, the murder rate dropped from 67.2 per 100 000 people in 1994/5 to 47.4 in

²³ SA Revenue Service (SARS), *Annual Report* (Pretoria, Government Printer, 1998).

²⁴ J. Irish & K. Qhobosheane, 'South Africa', in P. Gastrow (ed.), *Penetrating State and Business: Organised Crime in Southern Africa, Volume 2* (Pretoria, ISS, Monograph 89, 2003); J. Redpath, *The Scorpions: Analysing the Directorate of Special Operations* (Pretoria, ISS, Monograph 96, 2004).

2002/3, and vehicle theft from 274 to 204.²⁵ The SA Revenue Service was given organisational autonomy from the Treasury in 1997, and has re-organised and modernised itself, leading to a much expanded taxpayer base and enhanced taxpayer compliance. There was a drop in the backlog of unassessed tax returns from 49 per cent of filed returns in March 1998 to 5.4 per cent in March 2003; representing growth of 12 per cent in the number of individual and company income taxpayers each year from 1998/99 to 2002/3; and substantial tax revenue from prosecution of taxpayers (over R1.1 billion in 2002/3) as well as seizure of illegal drugs at border posts (to a value of R11 million in 2002/3).²⁶ Indicators of greater control over cross-border traffic at air and sea ports are very difficult to identify, but one informed view is that ‘levels of security are vastly improved’ since 2000, as a result of improved and simplified procedures as well as more personnel.²⁷ Increased effectiveness in these areas can be summarised as an enhancement of the state’s ‘despotic’ power.

But in many of the social arenas examined in articles in this special issue, *both* stability and fragility have increased. In some cases, the same social and political processes have both promoted stability and added to the potential for destabilisation: single- (political) party dominance, race relations, BEE, militarism and corruption. In macroeconomic policy, by contrast, stabilisation and destabilisation have resulted from different policies. In other arenas discussed in articles in this issue – gender, HIV/AIDS, land reform and community-level state–society relations – stabilisation has been limited, with state–society linkages institutionalised only partially and incompletely.

Looking first at single-party dominance, the three successful national elections (as well as the local authority elections in 1995/6²⁸ and 2000) have established formal mechanisms of representation for citizens but of course all have been dominated by the

²⁵ Other indicators of criminal violence remain high – rape remained at its 1994/5 level of 115 per 100 000 people through the period, assault rose from 1146 to 1286, and attempted murder from 69.4 to 78.9. Robbery and housebreaking also rose significantly.

²⁶ SARS, *Annual Report* (Pretoria, Government Printer, 1998) ; SARS, *Annual Report* (Pretoria, Government Printer, 2003).

²⁷ A. Minnaar, *Policing the Ports: Reducing Illicit Trafficking in South Africa* (Pretoria, ISS, Monograph 84, 2003). Also worth noting is the high level of co-operation between the Police Service, Scorpions and Revenue Service in addressing organised crime, corruption and illegal cross-border trade.

²⁸ The first round of local government elections took place in two stages because the contestation over municipal boundaries and the form of local government was so fierce and protracted in KwaZulu-Natal that the process was delayed in that province until 1996.

ANC.²⁹ In the comparative transitions literature, the consolidation of formal political democracy revolves around ‘real’ political competition, in other words the presence of an alternative contender with a realistic chance of winning state power at the ballot box, an option excluded in an authoritarian system. For some analysts in this literature³⁰, two successful multi-party elections are sufficient to pronounce that ‘real’ political competition exists and democracy is consolidated. On this criterion, South Africa certainly qualified by 2004. But in Przeworski’s³¹ more sophisticated test, political competition must ‘institutionalise uncertainty’ about the distribution of political power and the realisation of groups’ interests, so that one-party dominance raises doubts and complications regarding consolidation. As pointed out by Ballard *et al.*³² in an article presented at the Wits Workshop but not included here, one-party dominance *reduces* uncertainty about electoral outcomes rather than increasing it. Since the South African transition was not simply from an authoritarian regime to a democracy (or polyarchy) but also from a white minority regime to a non-racial one, the issue of political competition and the associated uncertainty of outcome was necessarily offset by the need to secure the new regime’s non-racial character against possible backlash from whites or blacks. In this respect, one-party dominance in South Africa has been a stabilising force, a position argued forcefully by Anthony Butler in his article³³: the ANC’s strength has reduced uncertainty about the distribution of political power and prevented ‘effective’ political contestation for state power on a racial or ethnic basis (including coalition formation³⁴) by those who feel excluded from the state.

However, the ANC’s dominance has, at the same time, reinforced race and nationalism as the central ideas for political mobilisation, so that the political expression of voice based on socio-economic interests is discouraged. The fragmentation of interest-based representation together with the weight of party politics reinforces ‘status quo bias’

²⁹ At provincial level only two of the nine provinces were lost by the ANC in 1994 and 1999: KwaZulu-Natal and Western Cape. In 2004, the ANC won in the Western Cape and obtained a plurality in KZN.

³⁰ For example, Larry Diamond and Samuel Huntington.

³¹ Przeworski, *Democracy and the Market*.

³² A. Ballard, A. Habib & I. Valodia, *Globalization, Marginalization, and Contemporary Social Movements in South Africa* (Durban, Centre for Civil Society, University of KwaZulu-Natal, 2004).

³³ Butler’s article is the only one included here which was not presented at the Wits University workshop in 2003, but the relevance of its subject to the focus of this Special Issue merits its inclusion.

³⁴ This has only occurred in a limited way in one of the two provinces (Western Cape) where the ANC has not been assured of electoral victory.

in policy and consolidates the conventional wisdom on issues such as inequality or poverty reduction. Contestation amongst groups and individuals over access to the state's power takes place *within* the ANC (or at least the ANC–COSATU–SACP alliance), and sometimes-heated clashes do lead to threats to break up the alliance. But differences over policy interest have been dominated by shared nationalist ideas and a shared history of struggle, and government leaders have relied heavily upon loyalty to the ANC and party discipline to secure support for, or at least compliance with, unpopular policies such as GEAR. The organisation has a reputation for centralised internal control from its years as an exile organisation, and several commentators argue that these tendencies have grown stronger during the decade in government.³⁵

Nevertheless, stability achieved through single-party dominance remains fragile and contradictory, especially given the nationalist basis of the dominant party. Indeed, the possibility of the ANC using its greater than two-thirds majority in Parliament to change the Constitution has been used to some effect by 'white' opposition parties to win support. Furthermore, the absence of interest-based parties impoverishes the state–society interface by limiting inclusion and restricting the channels for social influence over state policy. This is reflected in the limited emergence of an explicit pro-poor 'voice' in the policy process, since the ANC has been little concerned with political mobilisation and participation of its mass membership outside the periodic election campaigns. On the other side, even business's ability to directly make representations to government is tightly structured, albeit within the context of a firmly pro-business policy framework. Government engages with economic interest groups individually through a set of bilateral 'working groups' involving labour, big business, black business, agriculture and international investors respectively. This setup enables the canvassing of views and testing of ideas as distinct from formal representation, but does not enable negotiation *amongst* groups over gains and losses from policies, or overburden sharing in response to external shocks. In other words, the party political process as currently constituted does

³⁵ T. Lodge, *Politics in South Africa from Mandela to Mbeki* (Cape Town, David Philip Publishers & Oxford, James Currey, 2003), p. 161; R. Southall, 'The State of Party Politics: Struggles within the Tripartite Alliance and the Decline of Opposition', in J. Daniel, A. Habib & R. Southall (eds), *The State of the Nation: South Africa, 2003/2004* (Cape Town, HSRC Press, 2003), pp. 57–8.

not offer socio-economic interest groups the prospects of winning state power and the policy influence that would offer, which in turn would provide these groups with incentives not only to participate actively in the party political process, but also to assume risk in making long-term commitments of resources. Uncertainty about the ANC's long-run policy stance arising from the long-running clash over GEAR *within* the alliance has impacted on the confidence of investors, both firms and households though of course responsive strategies of rich and poor have differed.³⁶

Ballard *et al.*³⁷ argue that a wide array of social movements can substitute for competition amongst political parties by increasing the uncertainty of outcomes of political competition, so that social movements contribute to democratic consolidation. This may be true in relation to policy outcomes within individual arenas where social movements contest for domination with state or other non-state actors. But without the possibility of aggregation across social arenas through the mechanism of a political party or movement, uncertainty cannot be institutionalised in relation to state power, which is the sense in which it is used by Przeworski,³⁸ that is, control over the legitimate use of force and authority throughout territorial boundaries and across multiple social arenas. Many arenas have no presence of social movements, indeed it is hard to imagine them in certain arenas such as macro-economic policy.³⁹ On the other hand, an array of separate social movements in different arenas could lead to dispersed domination (in Migdal's terms) which also would be destabilising. In sum, a strong and diverse civil society, including social movements, *complements* political competition and thus requires contending parties if it is to play a role in reinforcing the social order – in South Africa, the absence of alternative parties undermines the civil society role and maintains fragility.

We turn next to race relations, an issue which casts a long shadow over much of the discussion, even though it is not directly addressed by any of the articles.⁴⁰ Central to

³⁶ S. Gelb, 'Sustaining the Nation', in G. Maharaj (ed.), *Between Unity and Diversity, Essays on Nation-Building in Post-Apartheid South Africa* (Cape Town, David Philip Publishers, 1999).

³⁷ Ballard, Habib & Valodia, *Globalization, Marginalization, and Contemporary Social Movements in South Africa*.

³⁸ Przeworski, *Democracy and the Market*.

³⁹ This is not to say that social movements cannot dispute macro-economic policy but rather to suggest that they would do so 'from a distance'.

⁴⁰ Most commentary on South Africa's first decade of democracy, even the most critical analyses of the post-apartheid transition, have been coy about addressing race post-1994 (Bond, *Elite Transition*; Marais, *South Africa, Limits to Change*), though a few analysts have strongly emphasised race as a critical variable.

the project of stabilising the new regime and countering possible threats from the ‘old order’ has been a human rights discourse emphasising *individual* equality and rights and sidelining issues of race and ethnic difference. In the constitutional negotiations, the National Party’s efforts to protect (race and ethnic) ‘group rights’ were defeated in part through the promotion of individual rights, which could conveniently be based upon the ANC’s Freedom Charter and subsequently became central within the Constitution.⁴¹

In the nation-building project which was at the heart of his presidency, Nelson Mandela promoted national unity and personified forgiveness and reconciliation, refusing to condemn his jailors and making famous gestures such as donning the South African rugby strip at the 1995 World Cup and having tea with the widow of Hendrik Verwoerd, apartheid’s architect. Moreover, he did so within a language of liberal human rights, as is evident in his first speech to the new South African Parliament:⁴²

Our single most important challenge is to help establish a social order in which the freedom of the individual will truly mean the freedom of the individual. We must construct that people-centred society of freedom in such a manner that it guarantees the political liberties and the human rights of all our citizens.

Wilson⁴³ has argued that after 1994 ‘human rights talk’ became a ‘language of pragmatic compromise’ that had less to do with moral principles and serving more as ‘a rhetorical expression of an all-inclusive rainbow nationalism’. Nation-building through human rights reached its apogee with the Truth and Reconciliation Commission (TRC), established in late 1995 and continuing until 2001 under the stewardship of Archbishop Desmond Tutu who had coined the term ‘rainbow nation’. Not merely an exercise in

N. Alexander, *An Ordinary Country: Issues in the Transition from Apartheid to Democracy in South Africa* (Pietermaritzburg, Natal University Press, 2002); A. Habib, ‘Conversation with a Nation: Race and Redress in South Africa’, in E. Pieterse and F. Meintjies (eds), *Voices of the Transition, The Politics, Poetics and Practices of Social Change in South Africa* (Johannesburg, Heinemann, 2004), pp. 237–48.

⁴¹ Led by the ANC, the anti-apartheid Congress Movement committed itself in 1955 to the rights-based Freedom Charter, which espoused both *individual* human rights as well as equal rights for all national groups, reflecting some of the tensions within the liberation movement.

⁴² N. Mandela, ‘Address to the Joint Session of both Houses of Parliament’ (First Session, first Parliament, Cape Town, 1994), p. 3.

⁴³ R. A. Wilson, *The Politics of Truth and Reconciliation in South Africa, Legitimising the Post-Apartheid State* (Cambridge, Cambridge University Press, 2001).

individual and group reconciliation, it was a human rights arena that celebrated a diversity of perspectives on apartheid, mediated by a process that asserted ‘No Reconciliation without Forgiveness’⁴⁴ and sought ‘to produce a national consensus on the “truth” as the ground for moral unity in the future’.⁴⁵ The TRC provided the leverage for moving beyond the past even though what it served up was ‘a range of fractured, incomplete and selective truths’.⁴⁶

The overarching nation-building ideology of reconciliation and the ‘rainbow nation’ is concerned with forging a national identity based on equality, irrespective of race, ethnicity or gender and runs the risk of glossing over socio-economic fractures and inequality. The substantial inequalities across racial lines which were the legacy of apartheid were evidently too stark to be ignored, and have been addressed in the human rights agenda mainly through legal measures. The justifiably celebrated founding documents of South African democracy – the Constitution and the Bill of Rights – promote political and judicial rights successfully, but also emphasise the social and economic rights of citizens to adequate access to goods and services for basic needs, such as housing, health care and education. These rights have proven harder to realise. Several cases have been brought to the Constitutional Court, involving rights-based arguments for shifts in state policy. Although the Court has strongly re-asserted these rights, its judgments have striven for a balance between imposing policies on government, and nudging government towards meeting its constitutional obligations on socio-economic rights, thus leaving government considerable room for manoeuvre in deciding how and when to do so.

The Constitutional Court cases have focused on achieving socio-economic rights via the central state. But implementing policy in arenas like healthcare or housing requires dense networks *linking* state and society, which did not exist as South Africa emerged from the transition. Similarly, the TRC was a centralised, state-orchestrated process that did not have wide resonance in society. In sum, approaches to race relations based on rights or on reconciliation may have been necessary to stabilise the post-

⁴⁴ D. Tutu, *No Reconciliation without Forgiveness* (New York, Doubleday, 1999).

⁴⁵ D. Posel and G. Simpson, ‘The Power of Truth: South Africa’s Truth and Reconciliation Commission in Context’, in D. Posel and G. Simpson (eds), *Commissioning the Past, Understanding South Africa’s Truth and Reconciliation Commission* (Johannesburg, Witwatersrand University Press, 2002), pp. 1–13.

⁴⁶ Posel and Simpson, ‘The Power of Truth’.

apartheid political regime and reinforce the transitional accommodation, but made little contribution to building robust linkages between state and society, and so could not adequately address race relations within society. These remain fraught, as demonstrated by the high incidence of violence in rural areas committed by white farmers against black workers and by blacks against white property-owners, and by regular if infrequent protests and demonstrations over access and discrimination in schools and post-secondary institutions (such as Pretoria Technikon and Vryburg High School).

The approach to ‘nation building’ in the Mbeki Presidency has been significantly different than under Mandela. If rights-based nation building tried to construct a forward-looking ‘imagined community’⁴⁷ by drawing a line under the past via forgiveness and reconciliation and glossing over differences in the present, then Mbeki has emphasised the continuity with the past represented in the wide gap between those on opposite sides of the apartheid divide, in both racial and economic terms. He has argued that ‘a common future under a single political roof’⁴⁸ required the construction of an African political identity for *all* South Africans who should in turn proactively embrace their Africanness. The term ‘African’ is used here with two (overlapping) meanings – the needs and aspirations of the black majority of South Africans, and those of people with African origins whether on the African continent elsewhere in the world. Mbeki’s position was articulated (and clearly distinguished from Mandela’s) as early as 1996, before he became President. In his ‘I am an African’ speech at the adoption of the new Constitution, Mbeki asserted that Africanness is not to be defined by race, gender or geography, referring to its origins in ‘the Khoi and the San’, ‘the Malay slaves who came from the East’, ‘the migrants who left Europe to find a new home in our native land’, ‘those who were transported from India and China’ as well as African ‘warrior men and women’ from across the continent. Being an African meant not only eschewing oppression and injustice but also having common cause with ‘the continent of Africa’.⁴⁹

⁴⁷ B. Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (London, Verso Press, 1993).

⁴⁸ M. Mamdani, ‘Beyond Settler and Native as Political Identities: Overcoming the Political Legacy of Colonialism’, *Comparative Studies in Society and History*, 43, 4 (2001), p. 661.

⁴⁹ T. Mbeki, ‘I am an African’. Statement at adoption by the Constitutional Assembly of the ‘Republic of South Africa Constitution Bill 1996’, 8 May 1996, Cape Town. Reprinted in G. Maharaj (ed.), *Between Unity and Diversity: Essays on Nation-Building in Post-Apartheid South Africa* (Cape Town, David Philip Publishers, 1999), pp. 11–15.

In a 1998 parliamentary debate on the TRC, Mbeki raised the stakes, arguing that ‘a very long period of colonial and white apartheid minority domination ... reinforced the notion that indeed South Africans are not yet one nation, but two nations ... the one black, the other white. ...[the latter] is relatively prosperous and has ready access to a developed ... infrastructure ... The second, and larger, nation of South Africa is black and poor, [and] lives under conditions of a grossly underdeveloped infrastructure ... Neither are we becoming one nation. ... we have not made the extra effort to generate the material resources we have to invest to change the condition of the black poor’.⁵⁰ Since mid-2003, President Mbeki has extended the ‘two nations’ idea to argue that funds and resources need to be transferred from South Africa’s modern and successful ‘first economy’ to its marginalised ‘second economy’, to enable the poor trapped in the latter to become equipped with the skills and capital needed for participation in the ‘first economy’. The ‘two economies’ metaphor runs the risk of backfiring on the underlying nation-building impulse and destabilising the democratic regime, by emphasising the starkly conflicting interests of rich and poor and suggesting a need for more radical solutions from one side or the other: a hardening of the former’s attitudes toward the transition and toward equality of rights, underlining the risk posed to established lifestyles and access to resources, or alternatively harsher demands from the poor for redistribution by whatever means. Yet, perhaps because it insists on the separation of the two economies and the need to maintain the good performance of the first by limited intervention, Mbeki’s formulation has had very little impact on either stability or, thus far, on policy.

Acrimony and tension around race relations has been confined mainly to South African foreign policy where Mbeki’s emphasis on an African political identity has had far more impact in shaping policy. Although the country’s leadership role in the New Partnership for Africa’s Development (NEPAD) and his efforts (with varying success) to broker peace agreements in regional conflicts have won substantial (if not universal) domestic support, there has been heated debate over the policy towards Zimbabwe as well as over the country’s actions on the wider international stage. The postcolonial

⁵⁰ T. Mbeki, ‘Statement on Reconciliation and Nation-building’, National Assembly, 29 May 1998.

impulse in Mbeki's foreign policy has extended beyond Africa, as illustrated in his ill-fated attendance at the 200th anniversary celebration of the slave revolution in Haiti, the first successful uprising of black people against a white colonial power. Mbeki was one of a very small number of heads of state to support the occasion, and his visit included the deployment of South African naval and security personnel. Though criticised by domestic opponents, the symbolic twinning of South Africa's triumphant ten years of democracy with the Haitian event reflected clearly an attempt to shape a South African national identity based firmly on 'Africanness'.

In South Africa ethnic division has had less significance than elsewhere in Africa where it constitutes a critical faultline in postcolonial politics, albeit in alignment with other structural and social fractures. The brinkmanship of the ethnically-mobilised Inkatha Freedom Party (IFP) in KwaZulu-Natal during the transitional period after 1990 and particularly in the run-up to the 1994 election undoubtedly posed a serious threat to the latter's successful completion. But like the right wing of Afrikanerdom, once the moderates in the organisation won the debate, persuading the *bitter-einders* that there was no option but to participate in the election (in Inkatha's case, only days before the election), they quickly came to dominate and any threat to the new regime's existence quickly evaporated. Since 1994, Inkatha has participated in the Government of National Unity and despite ongoing tussles over symbolic issues (like the location of KwaZulu-Natal's capital), there has been no meaningful attempt to operate outside the framework of the new democracy. Similarly, muscle-flexing by leaders of the resource-rich Bafokeng in the North West Province, or the substantial opposition share of the vote amongst 'coloureds' in the Western Cape have not constituted a serious threat to the democratic regime. Rather, they have forced the ANC to flank-watch and may have helped fuel an Africanist tendency within the ANC uncomfortable with nation building on the basis of non-racialism and human rights. The incorporation of the former Bantustans and their civil services into a unified state and the delinking of traditional authority and custom from regional and sub-national politics have also undermined ethnic polarisation. As Beall, Mkhize and Vawda show in their article on chieftaincy in KwaZulu-Natal, traditional authorities once inextricably linked with the IFP are now accommodated in national and provincial institutions of governance and fight for their

corner within the national polity through a national organisation, the Congress of Traditional Leaders of South Africa (Contralesa). The integration of ‘traditional leaders’ into the formal political structures reflects an attempt to accommodate an Africanist perspective on governance, so that notwithstanding the rather awkward relationship between chieftaincy and representative forms of liberal democracy, the new structures can be seen as contributing to regime stabilisation. Political parties’ efforts to mobilise traditional leaders are also vigorous at the local level, where they have been formally incorporated into service delivery mechanisms, providing them with patronage resources that are politically useful in remote areas. While traditional leaders’ involvement in service delivery may appear to represent a strengthening of state–society relations, in fact in many cases these processes reflect an absence of the state’s authority and limited infrastructural capacities at the local level, as public resources are used to reinforce localised power bases with little connection to the centre or to national policy concerns. At the same time, the long struggle to pass the Communal Land Rights Act which eventually succeeded in 2004 meant that the accommodation with Africanist approaches to governance was achieved at the cost of protecting gender equality for rural women. This will make the next step – to build effective state–society linkages around service delivery in rural areas – all the more difficult.⁵¹

As with race relations, black economic empowerment (BEE) has both contributed to stability but also undermined it. BEE and employment equity (affirmative action) were key elements of the “implicit accommodation” between the ANC and white big business which emerged shortly into the constitution period of the transition, reflecting a tradeoff between maintaining macro-economic stability and accepting globalisation on the one hand, and transferring economic power to blacks on the other.⁵² This accommodation has framed economic reform efforts in the new regime. The face of ‘big business’ (formerly owned and run only by whites) has changed as a result of the creation of a black stratum of owners and managers. This has been one of the most visible markers of change over the past decade. It is now no longer possible to characterise big business as ‘white’, or to

⁵¹ S. Hassim, ‘A Virtuous Circle? Gender Equality and Representation in South Africa’, in J. Daniel, J. Lutchman & R. Southall (eds), *The State of the Nation 2004/2005* (Cape Town, HSRC Press, 2004).

⁵² Gelb, ‘Sustaining the Nation’; S. Gelb, ‘Addressing Inequality in South Africa: Causes, Nature and Responses’, article prepared for DfID project on Inequality in Middle-income Countries (Johannesburg: EDGE Institute, 2003).

distinguish on racial lines between public positions of leading business figures or organisations. This deracialisation of the upper reaches of the capitalist and managerial classes has contributed critically to underpinning the stability of the new political regime. However, as is well-known, BEE and affirmative action have been characterised by severe limitations: a narrow group of visible beneficiaries, accusations of window-dressing and ‘fronting’, and reversals resulting from unstable economic conditions, since most transfers of ownership remain dependent on a growing economy and a rising equity market.⁵³ But equally significant from the perspective of ‘fragile stability’ have been the implications of the meltdown of mining share prices which followed the leak of early drafts of the Mining Charter in 2002, and of the belief that foreign direct investors have shunned South Africa due to perceptions of heightened risk related to control over their equity.

Comment [JE3]: Caps?

More fundamentally, BEE and affirmative action have deepened class divisions and income inequality within the black population, continuing a process of increased differentiation which started in the 1980s. Income is, of course, not the sole criterion for assessing differentiation, but in 1975, the bottom 40 per cent of households in the African population obtained 12.3 per cent of the group’s income and by 1996, this had dropped to 4.5 per cent. The corresponding figures for the top 10 per cent of Africans were 32.5 per cent in 1975 rising to 51.3 per cent in 1996.⁵⁴ Increased differentiation⁵⁵ and the all too evident problems in the narrow base of BEE’s immediate beneficiaries have led to a significant shift in the approach to the issue during the decade. Pressure from the black business constituency critical to the ANC led to the establishment of a semi-official BEE Commission in 1999, in a move away from the post-1994 stance of benign neglect.⁵⁶ The Commission’s report⁵⁷ stimulated the process of sectoral ‘transformation charters’, which is still underway, as well as the enactment in 2002 of legislation to promote ‘broad-

Comment [JE4]: Need to check publisher

⁵³ For example the Johannesburg Stock Exchange’s crash in 1998 reduced BEE ownership of total market capitalisation from 7 per cent to 2.2 per cent.

⁵⁴ A. Whiteford & D. van Seventer, *Winners & Losers. South Africa’s Changing Income Distribution in the 1990s* (Pretoria, WEFA Southern Africa, 1999), p. 14.

⁵⁵ Differentiation was not slowed in any way by the involvement in BEE equity transfer deals of investment companies set up by trade unions and community organisations.

⁵⁶ This was true of share ownership issues; on affirmative action, policy was much more active.

⁵⁷ Black Economic Empowerment Commission (BEECOM), *Report of the Black Economic Empowerment Commission* (Johannesburg, BEECOM, 2001).

based' BEE, although the latter appears quite toothless. The process of formulating, implementing and monitoring sectoral charters will deepen state–society linkages, but it remains to be seen how successful they will be in widening BEE's social reach. The transfer of shares by large corporations has clearly accelerated since early 2003, but the involvement of the same handful of black business leaders in deal after deal across multiple economic sectors has simply emphasised the narrowness of the process (in both racial and gender terms) and limited its stabilising impact. Neither government nor the private sector has yet resolved the challenge of embedding BEE in a process of economic growth, which would broaden its distributive benefits. At the same time, the focus on BEE within established white corporations has meant that small business policy to support the emergence of a class of black entrepreneurs in production has not been high enough on the political agenda to have received adequate policy resources.

The articles by Cock and Hyslop deal in different ways with the changes in the civil service as a result of the transition. In their discussions of militarism and corruption, both emphasise the continuities from the old order to the new, while showing how the transition has re-configured these continuities, leading to both stabilisation and fragility. As with BEE, the transition has created new resources – political and administrative influence – for other strata within the 'black middle class', including civil servants from the former 'Bantustans' and liberation movement members now public servants or SANDF soldiers. Hyslop's description of how some have used these resources in corrupt ways and Cock's account of the remilitarisation process both imply that the transition had an uneven impact within these strata, giving some an interest in maintaining the new status quo while creating potentially destabilising elements by denying access to others. There are important links between their accounts, with Hyslop showing how the covert elements of the apartheid security apparatus left unsupervised in the last years of the old regime engaged not only in a 'dirty war' against the political opposition but also became deeply involved in corruption and personal enrichment, while Cock shows that many of these same people are now amongst the (white and black) soldiers excluded from the new SANDF and marginalised economically, leading them towards activities as mercenaries, criminals or, at best, private security guards.

We turn now to macro-economic policy which has been characterised by distinct stabilising and destabilising policies. Government (especially since 2001) has repeatedly trumpeted its success in achieving stability, arguing that the policy focus should shift to ‘micro-economic’ issues, such as lower costs of services (energy, transport, telecommunications) and labour skills and productivity. In fact, some elements of macro-economic policy – in particular fiscal policy – have succeeded in their objective of stabilisation, but other elements – monetary and exchange rate policy – have had the opposite effect.⁵⁸ Fiscal policy since 1994 has focused on deficit reduction and improved financial control and accountability, aiming to improve the state’s financial situation which the previous government had left in a precarious state, partly the result of the “looting of the state” in the dying days of apartheid described by Hyslop. Fiscal restructuring, which also had to take account of the re-organisation of subnational structures and public sector entities arising from the constitutional negotiations, has succeeded admirably in its own terms, with the South African Treasury regarded as a leader amongst developing countries in establishing ‘international best practice’ in this area. Bolstered by greatly improved tax revenue collection, the fiscal deficit was lowered from 10.1 per cent of GDP to below 3 per cent between 1993 and 1999, with a similar decline in public debt levels. This has enabled expenditure to be significantly re-allocated to social service provision for the black population.⁵⁹

In monetary and foreign exchange policy, the focus – not surprisingly – has also been on the health of financial variables, refracted through a consistent focus on low price inflation. Here too policy has succeeded in its own terms: inflation dropped below 10 per cent in 1993 for the first time in two decades, while the foreign exchange reserves have risen since 2000 from extremely low levels, reflecting a very weak Reserve Bank balance sheet. But this is only half the story. The liberalisation of external capital flows and the financial system in 1994/95 – a core element of the ‘implicit bargain’ between the ANC and business – together with the narrow focus of monetary policy on inflation control have resulted in extreme short- and medium-term fluctuations in the exchange

⁵⁸ S. Gelb, ‘Macroeconomics in Post-Apartheid South Africa: Real Growth Versus Financial Stability’, in R. French-Davis (ed.), *Seeking Growth under Financial Volatility* (London, Palgrave Macmillan, 2005).

⁵⁹ S. van der Berg, ‘Trends in Racial Fiscal Incidence in South Africa’, *South African Journal of Economics*, 69, 2 (June 2001), p. 2. Though there is a much less positive record on improvements in service quality.

rate within a trend of long-run depreciation. There have been three capital flow crises during the decade, in 1996, 1998 and 2001, which the policy authorities addressed by large interest rate hikes and (in the first two crises) massive sales of foreign currencies in fruitless efforts to defend the Rand's value. Since 2000, the rand has been left to float freely, and its continued volatility has exacerbated uncertainty for both exporters and importers. At the same time, the adoption of an inflation-targeting framework has helped to maintain price stability but at the cost of interest rate movements which have often been contrary to the need to stabilise output and increase fixed capital formation. In sum, the external macroeconomic accounts have been extremely volatile and policy has transmitted this instability to the 'real' productive side of the economy. This in turn has reinforced firms' lack of confidence, already low given the socio-political changes implied by the transition, and further discouraged capital investment, job creation and economic growth.

We turn now to discuss those social arenas which have experienced little improvement in state 'infrastructural' capacities because institutional links between state and society have not matured, leaving democratic consolidation fragile. Hassim presents one route to this outcome.⁶⁰ She discusses the institutionalisation of women's politics which involved a broad scope of initiatives ranging from the establishment of government offices and public agencies (such as the Office on the Status of Women in the Presidency and the Commission on Gender Equity) to policies and processes such as parties' parliamentary quotas for women candidates. Despite these efforts to develop state-society linkages on the issue, Hassim shows there has been little substantive social and economic change for women: indeed, in some cases, the elaborate 'gender machinery' has actually hindered transformation. In addition, it has had the paradoxical effect of 'decapitating' the women's movement in civil society, as leaders moved into Parliament and other public office, in a similar manner to that described by Buhlungu in article on COSATU, the largest trade union federation. But COSATU had relatively deep leadership resources and retained its organisational autonomy from the ANC, factors

⁶⁰ This article was presented at the workshop but is not included here as it was published as 'The Gender Pact and Democratic Consolidation: Institutionalizing Gender Equality in the South African State', *Feminist Studies*, 29, 3, pp. 505-28.

which enabled new leadership to establish itself fairly quickly after 1994 (and indeed again after the 1999 election). In contrast, the women's movement was more vulnerable. Its leading ANC-aligned organisations were unable to retain their autonomy from the political party and folded into the ANC Women's League. Without leaders or organisational entities able to draw broad support, the women's movement was dealt a crippling blow from which it has yet to recover. Within the state bureaucracy achieving effective mechanisms for ensuring gender aware practice has been slow, despite state agencies being intended as critical agents of change within the state (together with the strong presence of women in Parliament). Lack of progress is in part the result of foot-dragging on the part of 'old' conservative civil servants in line departments, for example, in relation to progressive legislation on issues such as domestic violence and family maintenance requirements. A further problem is that ineffectual state responses often go unchallenged due to equally ineffective pressure from organizations within society, willing and able to engage the state. |

Suzanne Leclerc-Madlala's article in this issue, dealing with HIV/AIDS, presents another explanation for immature state–society linkages leading to a fragile consolidation of democracy. She explains carefully the inadequacies of the new state's policy response, including the shift from a position of neglect of the problem under President Mandela as the new state focused on the wider issue of restructuring the health system as a whole, to the 'denialism' of President Mbeki and Health Minister Tshabalala-Msimang. In contrast to the gender arena – where organisational and institutional gaps in society have contributed to the limited impact of the state's institutions – on HIV/AIDS, it is the state that has failed, at least until early 2004, to establish structured processes and mechanisms necessary to address the epidemic. This is notwithstanding the emergence of a very wide range of organisations across civil society concerned with the issue, including the Treatment Action Campaign (TAC), possibly the most important social movement organisation in the democratic era. The shared framework between society and state necessary to address the problem did not develop as a result. As argued by TAC chair Zackie Achmat at the Wits workshop, social organisations cannot undertake action alone: 'we need the state as the organiser and facilitator of public goods, for the distribution of public goods and access to public goods'.

Comment [JE5]: Some of the sentences here made no sense as they were previously. Please check changes for sense. Seems a bit convoluted?

In its own review of the decade since 1994, the South African government itself acknowledged its limited infrastructural capacities, pointing out that ‘there are weaknesses ... at the coalface of interaction with the public and in the supervision and management of implementation ... The state has made significant progress ... in improving policy co-ordination ... [but] these efforts need to be further consolidated with greater attention focused on implementation.’⁶¹ The contrast between ‘good’ formulation of policy and ‘poor’ implementation in a wide range of arenas has been a common refrain since 2001.⁶² Leaving aside the question of whether policy which cannot be implemented in its intended context should be regarded as ‘good’ policy, this distinction is less about the quality of public servants than about the state’s ability to mobilise non-financial – human and organisational – resources, and especially its inadequate linkages with social organisations to support citizens’ consumption of public goods and services.

The democratic South African state has been far more successful in delivering public services which supplement current incomes by providing cash or in-kind services than those involving the creation or transfer of assets.⁶³ The former – cash grants, free water rations and so on – make fewer demands on the capacities both of the state as provider and of citizens as recipients, because they involve regular but small transfers from public agencies to individual citizens with anonymous brief direct contact. By contrast, programmes which build or transfer assets, such as land reform, education or housing, require ongoing and substantial contact between public service providers and the citizenry, who usually need to be organised into ‘communities’ to enable collective consumption of the service. In other words, the ‘demand side’ of public service delivery, the ‘society’ with which the state must link, must itself be constructed. The difficulties associated with doing this have been noted in housing and education,⁶⁴ and are illustrated in this special issue by two articles on land reform.

⁶¹ Presidency Policy Co-ordination and Advisory Services, South Africa, *Towards a Ten Year Review: Synthesis Report on Implementation of Government Programme: Discussion Document* (Pretoria, Government Communication and Information Systems, 2003), pp. 102 & 107.

⁶² See the State of the Nation addresses in February and May 2004 (T. Mbeki, ‘State of the Nation address’. Parliament, February 2004; T. Mbeki, ‘State of the Nation address’. Parliament, May 2004).

⁶³ Gelb, ‘Addressing Inequality in South Africa’.

⁶⁴ K. Rust, ‘No Shortcuts to Progress: South Africa’s Progress in Implementing its Housing Policy, 1994–2002’ (Johannesburg, Institute for Housing in South Africa, 2003); C. Kihato & C. Kabemba, ‘Enhancing Policy Implementation: Lessons from the Education Sector’ (Johannesburg, Centre for Policy Studies, 2002).

Both the Doornkop farm in Mpumalanga, which is the focus of the article by James, Ngonini and Nkadimeng, and the St Lucia Eastern Shores land claim, briefly presented in Walker's article, underline the fact that 'communities' are shot through with divisions and differences over socio-economic factors, both class and ethnicity, as in Doornkop. These articles also underline the simultaneous contradictions *within* the state, implicitly pointing to differences in incentive structures between public officials at national and at local levels, and between local politicians and bureaucrats. At the national (and provincial) level, the metric of success in public delivery of goods and service is quantitative (perhaps unavoidably). Time horizons are linked with electoral cycles so that 'community development' (a slow process prone to failure) is undervalued and distributional choices amongst conflicting groups a more abstract issue than for local-level officials whose success is threatened when confronted with demands from *specific* groups 'at the barricades'. Local-level politicians may focus on a 'numbers game' within the (locally) dominant political party, but ethnic and local ward considerations involve calculations distinct from proportional representation at national level, as James and her co-authors show. Local civil servants, both administrative and law enforcement personnel, have a strong interest in building communities and maintaining order – which in the long term would sustain democratic consolidation at the national level – but they often lack the clout to override political objectives or else lack the resources (financial, human and organisational) to achieve these goals, especially in rural areas and marginalised urban settlements.

Conclusion

Drawing on a 'state-*in*-society' framework, we have emphasised the importance for democratic consolidation of the state's ties with society, both at the national level and in more localised contexts, societally and geographically. The 'case studies' presented in the articles suggest that the post-transition path is not short, smooth or direct. In contrast, politics, policy, and institutional change in South Africa during the past ten years have

resulted in ‘fragile stability’, both stabilisation and destabilisation, both regime consolidation and the maintenance and reinforcement of historical social divisions. Reform and reconstruction of the South African state has included establishing new links with society so that the state is stronger than at the moment of transition, but this has been partial and uneven.

‘Fragile stability’ implies South Africa is in a tenuous equilibrium, one that is low-level and temporary. It is low-level in that average individual income and welfare are low, in that people are pessimistic and risk-averse in their decision-making for the future, and in that ‘society’s collective power to pursue its national goals’⁶⁵ is low. Nonetheless, it is equilibrium because there are no social forces likely to move it away from its current position, at least in the short-run.

Two possible alternatives can be imagined: either a crisis of the state leading to its collapse and social disintegration, or a ‘high-level’ equilibrium reflecting higher levels of welfare, improved equity and inclusion, and stronger state–society linkages. The first alternative is unlikely: as noted above, there has been an increase in the state’s capabilities through the past decade, especially its ‘despotic’ powers, which make an implosion of the state unlikely. State collapse and crisis would depend on *organisational* interventions in the political arena intended to achieve this result.⁶⁶ But the emergence of an *effective* revolutionary movement with such aims seems remote at best, notwithstanding the prospect of increased marginalisation and exclusion of large numbers of people. Indeed, Mosoetsa’s article underlines that individuals have responded to marginalisation in atomised fashion as opposed to organising for change, while the most successful social movements have operated within the framework of the regime and the social order, opposing specific policies and processes rather than the regime *per se*.⁶⁷ The example of Zimbabwe in the 1990s suggests that even when movements are ‘self-

⁶⁵ A. Kohli & V. Shue, ‘State Power and Social Forces: On Political Contention and Accommodation in the Third World’, in Migdal, Kohli & Shue, *State Power and Social Forces*, p. 321. They argue that aside from the issue of its distribution, power has a quantitative dimension, implying that ‘some societies simply have more power with which to define and achieve collective goals than others.’ The nature of state–society linkages is an important determinant of a society’s quantum of power.

⁶⁶ Nor is it only a question of the emergence of oppositional political organisations. The strategic response of the dominant groups is also central to the dynamics of crisis development.

⁶⁷ Ballard, Habib & Valodia, *Globalization, Marginalization, and Contemporary Social Movements in South Africa*.

limiting' in this fashion, the dynamics of crisis development depend both on the emergence of oppositional political organisations and the strategic responses of the dominant political organisation.

Equally unlikely is any imminent shift towards a stable high-level equilibrium. Giving top priority to a coherent strategy for promoting equity and reducing poverty is certainly the aspiration of the 'two economies' concept that has been promoted very actively since the 2004 election campaign, including by President Mbeki personally. But meeting these aspirations would involve fundamental changes to the economic policy framework for growth and distribution which has been in place during the past decade. This would also depend on the emergence of a self-consciously pro-poor political party linking social forces to state authority, since any such policy shift would certainly be opposed (or at least not supported) by business and the middle classes, both black and white, all of which have a strong interest in *status quo* policies on the macro-economy and Black Economic Empowerment.

Thus, notwithstanding the contradictory pressures – stabilising and destabilising – which emerge from the current trajectory of consolidation, 'fragile stability' represents a stable equilibrium position. But 'fragility' also implies impermanence: this equilibrium cannot persist indefinitely because South Africa is a dynamic society still in transition. Incremental changes continue in all arenas and at all levels of society, and over time these are likely to add up to changes in the social structure which could shift the political balance of forces sufficiently to move the society out of its temporary equilibrium as a new organisational constellation and policy framework emerge. An exogenous shock, triggered by regional or global problems, for example, could speed up the process. It cannot be predicted whether such a shift, if it occurs, would be towards a 'high-level' equilibrium in which individual welfare and collective power are increased significantly, or towards crisis and possible social disintegration. There is no guarantee that the democratic transition will lead ultimately to democratic consolidation.

Postscript, August 2005

This introduction was completed in September 2004. In June 2005, the allegations of corruption against Deputy President Jacob Zuma in the context of the arms deal –

discussed by Jon Hyslop – reached a climax, when Zuma’s ‘financial advisor’ Schabir Shaik was convicted of corruption and bribery. Zuma was then himself charged with corruption and as a result fired from his government post by President Mbeki, days before the ANC’s crucial National General Council policy gathering. His firing unleashed a storm of protest from his large support base within the ANC alliance, especially from COSATU and the SA Communist Party, arguing that it was a political stratagem designed to prevent him from succeeding Mbeki. The NGC meeting was dominated by the alliance’s rank and file utter rejection of the leadership’s positions on Zuma and all other issues. At the same time, townships across the country were rocked by grassroots street protests against inadequate delivery of housing and public services. The deep gulf between the state and the urban poor were underlined by the violent response of the police in many instances, resulting in injuries and deaths of protesters as well as innocent bystanders.

This confluence of events – unequivocal government opposition to corruption, the ruling party in deep crisis, and township residents in direct conflict with the state – provides the clearest possible demonstration of ‘fragile stability’, a situation where the political regime and social order are disrupted and undermined yet not threatened with actual destruction or collapse. Two months later, hostilities in the townships have abated, but not the internal conflict within the ANC alliance. The president’s support base has apparently shrunk to include only those who directly owe him their positions – cabinet ministers, provincial premiers and the like – and there is bitter public hostility to him from the alliance partners, reminiscent of the period after the GEAR policy was announced without consultation with the latter.

Single-party dominance has contributed to stabilising a non-racial political regime but by restricting the political ‘voice’ of social groups has also hampered the evolution of state–society linkages to consolidate substantive democratic processes. The Zuma crisis encapsulates fragile stability in the same way, reflecting simultaneously a maturation of the ANC from struggle-oriented liberation movement to ‘modern’ political party supportive of ‘good governance’, and a reinforcement of centralised, proto-authoritarian tendencies within the organisation and a step backward for the emergence of the class- and interest-based politics which must become a fundamental feature of state–society

interaction if a stable 'high-level' equilibrium is to be established. In the conclusion to the Introduction, we noted that a move away from 'fragile stability' to either of the two alternatives – state collapse or full-blown democratic consolidation of state and society – would require new *organisational* expressions in South African politics. But there is no indication that the present fracas will produce this outcome – the focus of the opposition within the alliance remains winning state power by taking over the leadership *within* the ANC, rather than winning state power *from* the ANC.